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SIPDIS

EUR FOR MBRYZA, JGARBER
EUR/NCE FOR LLOCHMAN, BPUTNEY
EEB FOR EEB/ESC
NEA FOR NEA/I

E.O. 12958: DECL: 06/18/2018
TAGS: [ENRG](#) [EPET](#) [PREL](#) [PL](#) [IZ](#)
SUBJECT: POLAND SEEKS ADVICE ON OIL EXPLORATION IN IRAQI
KURDISTAN

Classified By: DEPUTY ECON COUNSELOR LAURA GRIESMER, REASONS 1.4 B AND
D

[11](#). (U) This cable contains an action request - see para 3.

[12](#). (C) Former PKN Orlen VP for Exploration and Development Cezary Filipowicz told EconOff that state-owned PKN Orlen is interested in on-shore oil exploration in Iraqi Kurdistan. Filipowicz noted that Orlen had long experience in Iraq. As other countries close or limit opportunities to foreign investment in the oil sector, Orlen needs to be more creative in finding potential new fields. Filipowicz explained that he recommended exploration in the Kurdish area about two years ago to the other members of the Orlen board but that the company decided not to pursue such a venture given the risks involved and lack of an oil law. As other companies are now starting to reach oil field development agreements with the Kurdish local government, it is time Orlen again considers such an option. However, in pursuing an option in the Kurdish area, Orlen is concerned not to alienate the Iraqi central government. The company would appreciate USG views on how the U.S. would react to such an investment, as well as a USG assessment of how this would affect Poland's relationship to the Iraqi central government.

[13](#). (C) Comment and Action Request: Filipowicz, an energy expert and long-time contact of the embassy, was recently removed from the Management Board of PKN Orlen by Minister of Treasury Grad. Filipowicz and other experts on the board were recommended for continued employment by an independent executive search firm hired by the GOP to staff state-owned companies. However, all former Orlen executives recommended by the firm, except for President Heydal, were rejected by Minister Grad. Nevertheless, Filipowicz maintains excellent contacts in Orlen and is advising Heydal and the current board on future moves. A discussion of USG policy on investment in the oil sector in Kurdistan and potential Iraqi central government repercussions would be helpful to PKN Orlen and Poland as the country continues to struggle to ensure its energy security.
ASHE